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**THE UNITED STATES FINALIZES SETTLEMENT AGREEMENT WITH CANADA
ON THE SUGAR-CONTAINING PRODUCTS RE-EXPORT PROGRAM**

United States Trade Representative Charlene Barshefsky announced today that the United States and Canada finalized the terms of the settlement agreement reached on the sugar-containing products re-export program. In reaching this agreement, Canada has agreed not to pursue dispute settlement proceedings with respect to the sugar-containing products re-export program.

Under the terms of the settlement, overall Canadian access to U.S. sugar tariff-rate quotas (TRQ) remains unchanged. The terms of the settlement agreement stipulate that, beginning in the 1997-98 quota period, the United States will allocate to Canada a share of the in-quota quantity of the U.S. TRQ for refined sugar (Additional US Note 5(a) to Chapter 17 of the Harmonized Tariff Schedule) of 10,300 metric tons, raw value, for sugar that is a product of Canada, and a share of the in-quota quantity of the U.S. TRQ for sugar-containing products (Additional U.S. Note 8 to Chapter 17 of the Harmonized Tariff Schedule) of 59,250 metric tons, raw value, for sugar-containing products that are the product of Canada. Canada will also be permitted to compete for any quantity of the refined sugar TRQ that is not allocated among supplying countries and is not reserved for specialty sugar, without regard to whether the share allocated to Canada for that period has been filled. The settlement agreement also allows the United States to transfer any unused quantity of Canada's sugar-containing products allocation to the portion of that TRQ that is not allocated among supplying countries, if Canada informs the United States that it cannot fill its share.